THE DETERMINANTS OF STOCK MARKET PERFORMANCE IN MALAYSIA, THAILAND, PHILIPPINE, INDONESIA AND SRI LANKA

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ABSTRACT

The stock market was one of indicators in determining the future economy of a country. Bearish in the stock market refers to there is unfavourable signal to the economy while bullish in the stock market refers to there is positive outlook in future economy of a country. The trend of the major stock market index gives a perception to local and foreign direct portfolio investment towards a county and determining the determinants of stock market returns will help them in making investment decisions. This study highlighted the significant determinants in determining factor effect the stock market performance in Malaysia, Thailand, Philippine, Indonesia and Sri Lanka. The annually panel data span over the period of 1993 to 2017 was used for this study. The research objectives focused on examine the relationship between Interest Rate (IR), Exchange Rate (ER), Inflation Rate (INR) and Unemployment Rate (UNR) towards Stock Market Performance. It was revealed that the ER, the IR and the INR and the UNR had significant impact in determining stock market performance in Aswan and developing countries (Malaysia, Thailand, Philippine, Indonesia and Sri Lanka)

Keywords: stock exchange, exchange rate, interest rate, inflation rate, unemployment rate.